

Whereas: Methane is at least 80 times more potent than carbon dioxide over a 20-year period. Reducing methane emissions is one of the quickest, cheapest ways to address near-term climate change.

Mitigating emissions is a major economic opportunity. Methane is a saleable product, and estimates show U.S. methane emissions amount to USD 1 billion per year in lost commercial value for energy producers, and USD 10 billion per year when harms to the economy and human well-being are considered.^[1] With the Inflation Reduction Act's new waste emissions charge, avoided methane loss could also represent avoided costs, even more so given Subpart W's update which could lead to an 80 percent increase of emissions estimates.^[2]

Antero Resources has demonstrated a commitment to reducing methane emissions, as evidenced by their decreasing methane intensity over the years. However, considerable research has demonstrated that methane monitoring that does not incorporate direct measurements can result in significant undercounting of emissions.^[3] The ability of third parties to perform independent measurements using satellites and airplanes is rising. Producers are exposed to reputational risk with investors, consumers, and regulators if they do not get out in front of upward revisions to their emissions estimates.

Leading peer producers like Chevron, ConocoPhillips, and Exxon have adopted the Oil and Gas Methane Partnership 2.0 (OGMP) framework, which requires them to develop a measurement-based inventory of their methane emissions, and set targets, so reductions are efficient and credible.^[4] Some producers are generating marginal abatement cost curves, to help prioritize abatement opportunities. The IEA estimates that around 40 percent of methane emissions from oil and gas operations can be avoided at no net cost.^[5]

While the company must improve efficiency and management practices, it has not taken the critical steps to actually develop a measurement-based inventory of all methane emissions, and report on its results.

Resolved: Shareholders request that Company issue a public report analyzing a critical climate change concern, the reliability of its methane emission disclosures. The report, prepared expeditiously at reasonable expense and omitting proprietary information, should:

- Summarize the outcome of efforts to directly measure methane emissions, using recognized frameworks such as OGMP;
- Assess and explain material differences between the results of direct measurement, and reported methane and Scope 1 emissions.

Supporting Statement:

At management's discretion, we recommend that the report also describe:

- Material differences between direct measurement results and reported methane emissions by site or facility, including results generated by third-parties;
- Plans to improve emission estimates over time, consistent with frameworks such as OGMP; and

Plans to validate emissions disclosures through third-party audit or evaluation.

[1] <https://news.stanford.edu/stories/2024/03/methane-emissions-major-u-s-oil-gas-operations-higher-government-predictions>

[2] <https://www.enverus.com/newsroom/modeling-epas-new-subpart-w-revision-and-the-super-emitter-wild-card/>

[3] https://www.iea.org/reports/global-methane-tracker-2024/progress-on-data-and-lingering-uncertainties?utm_source=chatgpt.com

[4] <https://ogmpartnership.com/our-member-companies/>

[5] <https://www.iea.org/reports/global-methane-tracker-2024/key-findings>